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SUBJECT: SERGEY IVANOV'S MIXED LEGACY AS DEFENSE MINISTER

REF: A. 06 STATE 195944

[1](#)B. 06 MOSCOW 1082

[1](#)C. MOSCOW 10

[1](#)D. 06 MOSCOW 8745

Classified By: Ambassador William J. Burns. Reasons 1.4 (B/D).

[1](#)1. (C) SUMMARY: Former Minister of Defense Sergey Ivanov leaves behind a mixed legacy as Defense Minister. He can claim credit for increased defense funding and launching a multi-year modernization program for the armed forces. He also sparked some reform initiatives, like the Ministry's revised procurement procedures. Inside the Ministry, he was perceived as a corporate CEO providing strategic direction and allowing the General Staff to manage operational issues. Ivanov showed his forceful side by overseeing the consolidation of several aircraft producers into the United Aircraft Corporation. The Ministry's intractable problems did nothing to advance Ivanov's presidential ambitions and, in fact, his poor handling of the Private Sychov hazing incident was a PR disaster for him. END SUMMARY.

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DEFENSE REFORM

[1](#)2. (SBU) When then-Defense Minister Sergey Ivanov appeared before the State Duma February 7, there was no public inkling that he would soon relinquish his position or be promoted to First Deputy Prime Minister, putting him on par with his rival for the presidency, Dmitriy Medvedev. Ivanov used the occasion to summarize his accomplishments at the Ministry's helm. In a nod to legislators for their approval of significant increases in the budget since 2001, he outlined the defense establishment's plans to step up procurement of both conventional and nuclear weapons systems as part of the modernization program he instituted in 2003. He claimed that almost half of the military's equipment inventory would be replaced by 2015. Ivanov emphasized procurement of ballistic missiles, noting that the Ministry would obtain 17 new ICBMs in 2007 and press ahead with procurement of the sea-launched Bulava missile system (despite repeated test failures). Upgrading armaments for ground combat units was another priority touted by Ivanov, including re-equipping 40 tank, 97 mechanized infantry, and 50 airborne battalions.

[1](#)3. (SBU) Ivanov highlighted efforts to increase salaries and to improve housing conditions for servicemen and their families. He updated the legislature on professional contract soldiers, claiming that some combat units had already achieved 100% of their recruiting goals. Although the Russian military would never be completely comprised of volunteers, increasing the number of professional soldiers equipped with modern arms, was necessary to fight "wars of the future," as well as to maintain the ability to project

power and launch pre-emptive strikes, if required. Ivanov also told legislators that the Ministry had revamped its procurement process, which would be in place by 2008.

REALITY AT ODDS WITH RHETORIC

14. (C) While Ivanov claimed credit for initiating programs to modernize Russia's armed forces, our defense contacts emphasized that his success was a function of Russia's flush coffers, and not of his bureaucratic or political savvy. Ivan Safranchuk of the Moscow office of the Center for Defense Information said the modernization program demonstrated Russia's intention to complement its political and economic resurgence with enhanced military power. In spite of increased funding, however, modernization would probably not be sufficient for the military to meet all its goals even under the most favorable conditions.

15. (C) Ivanov was unable to resolve the personnel issues in Russia's entrenched, bloated military relying on a conscript force during a demographic downturn. Aleksandr Golts, another respected defense analyst, told us that establishing a professional volunteer military was a worthy goal but service conditions were still so poor that many first-term soldiers and junior officers failed to renew their contracts. About 12,000 junior officers leave the service every year at the end of their first terms. Golts said Ivanov left with the military still unable to compete for Russia's best and brightest human talent, particularly as more lucrative opportunities became available for young people. Neither the military (nor Russia in general) had yet come to terms with the demographic crisis; in Golts' view, the declining pool of

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manpower clashed with Ivanov's goal of maintaining the armed forces at 1.1 million personnel. Vitaliy Shlykov of the Center for Foreign and Defense Policy told us that the inability of the military to develop a professional non-commissioned officer corps would constrain its effort to field a qualified force capable of successfully using its new, modern equipment.

16. (C) Ivanov's success in implementing a modernization program was also questioned by experts. Independent defense analyst Pavel Felgengauer took issue with Ivanov's assertion concerning the nation's missile force. He was not confident that Russia's defense industry would be able to produce the number of ICBMs envisioned in the program by 2015 or that problems associated with the Bulava missile would be resolved soon. Even if Ivanov's production goals were met, Felgengauer pointed out that Russia planned to destroy several hundred ballistic missiles under its international treaty obligations. This would still leave Russia with a missile force capable of deterring any foreseeable threat, but he thought that the ministry's missile modernization plans were overly ambitious and could undermine efforts to overhaul the military's conventional armaments.

INSIDE THE DEFENSE MINISTRY

17. (C) Within the Ministry, Ivanov reportedly worked out a relatively efficient delineation of responsibilities between military and civilian officials. Sergey Sumbayev, former correspondent with the Krasnaya Zvezda (Red Star) journal, told us he had gotten to know Ivanov's style fairly well and had traveled with him to military sites around the country. According to Sumbayev, from the outset of his tenure Ivanov surrounded himself with a close circle of civilian advisors (many of whom were associates from his days in intelligence), who focused on broad political and managerial concerns affecting the ministry and national security. The General Staff and other military officers were given a relatively

free hand to concentrate on traditional military and operational issues. Sumbayev said the division of labor generally worked well, particularly after Yuriy Baluyevskiy was appointed Chief of the General Staff in 2004. Felgengauer attributed Ivanov's relative success to Baluyevskiy's pliancy but was skeptical that reform would survive Ivanov's departure.

18. (C) Tensions occasionally did arise between the military and civilian staffs. Sumbayev explained that many senior military officers did not respect Ivanov and/or resented strong civilian control within the Ministry. He said Ivanov tended to promote officers lacking in charisma or ambition in order to minimize their ability to challenge his authority. At the same time, Sumbayev said Ivanov's lack of military expertise compelled him to defer to the brass more and constrained his ability to respond to issues more pragmatically. He cited Ivanov's clumsy, insensitive response to the hazing of Private Sychov in 2006 as an example (Ref B). Ivanov sided with the military on several subsequent hazing incidents as well.

19. (C) Ivanov's management style is best described as that of a corporate CEO providing strategic direction, although many initiatives came from his civilian advisors, and he sometimes failed to follow through on his own ideas. As Defense Minister, Ivanov seemed to rely on advice from the Ministry's Main Behavioral Directorate, which was charged with personnel reform, though Sumbayev said it was difficult to pinpoint precisely who constituted Ivanov's inner circle. Two programs that emerged from his civilian advisors were designed ostensibly to foster public understanding of the military -- the establishment of parents committees and a public chamber within the Ministry (Ref C). Both initiatives were widely perceived as simply public relations ploys aimed at containing the damage caused by Ivanov's public gaffes, notably on hazing. The consensus among experts was that Ivanov's actions were best understood when viewed through the prism of his presidential ambitions.

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DEFENSE ECONOMY MANAGEMENT

110. (C) Ivanov was charged by Putin last year to oversee civil aviation, and he is credited with overseeing creation of the United Aircraft Corporation (UAC). The UAC, a GOR consolidation of many of Russia's aircraft manufacturers, would probably not have occurred without a forced, top-down

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restructuring under Ivanov's direction. In contrast to his collegial style at the Ministry of Defense, Ivanov proved a more forceful manager in civil aviation. Embassy contacts have told us that they were worried that Ivanov would soon reorganize their agencies and fire current managers. The heads of the Federal Authority for Transportation Oversight and the Ministry of Transport's Department of State Policy for Civil Aviation, in fact, were recently dismissed.

111. (C) Ivanov, as First Deputy Prime Minister, will stay connected to the defense establishment via chairmanship of the Military Industrial Commission (MIC), created by Putin in 2006. At that time, the move to appoint Ivanov as MIC chairman was seen as a modest boost to his standing as potential successor to Putin (Ref D). Although most defense analysts at the time criticized the MIC as a futile attempt to streamline the bureaucratic defense procurement process, it was a step in the right direction and had little risk for Ivanov. Over the past year, Ivanov's MIC garnered mostly positive press coverage. Favorable media reporting of plans to spend 5 trillion rubles (about \$192 billion) on the Ministry of Defense's ambitious modernization program burnished Ivanov's image, making him look presidential, without having to produce many tangible results.

COMMENT

¶12. (C) While it can be argued that long-overdue modernization was mostly a function of Russia's economic revival, Ivanov nonetheless got the ball rolling. Ivanov likewise did a credible job overseeing a ministry justly famed for its intractable structural and personnel problems. The public, however, will remember his tenure most for his poor handling of the Private Sychov hazing scandal.
BURNS